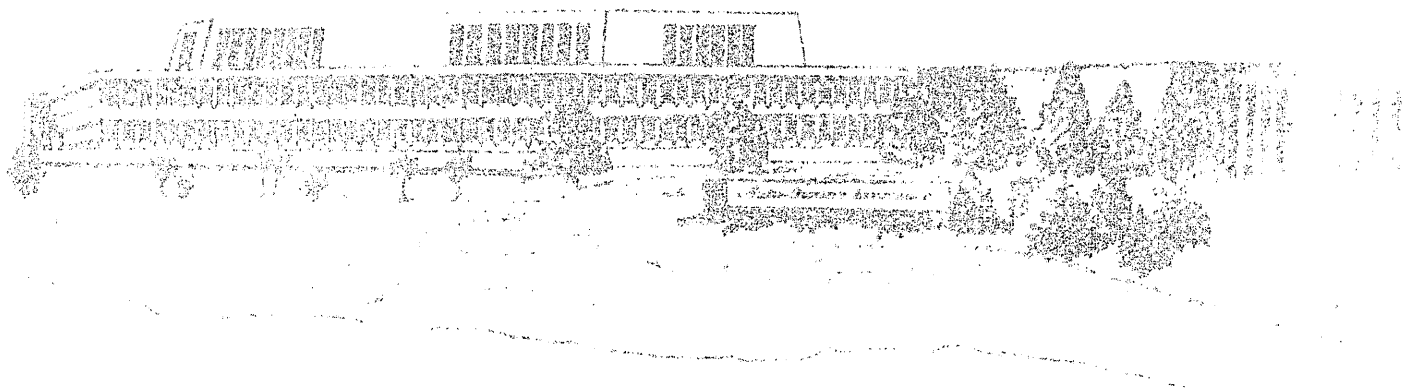


EXHIBIT "1"



Tailored Protection Insurance Policy



Auto-Owners Insurance Company

Insert Declarations Page (Part Two), form and Endorsements here so that edge butts against fold of Contract.

POLICY NON-ASSESSABLE

This policy is non-assessable and the premium stated in the Declarations is the only premium you will be asked to pay.

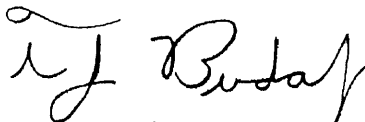
PARTICIPATING

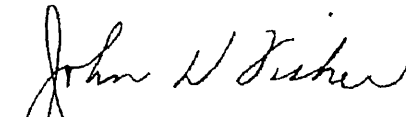
You will be entitled to an equitable participation in Company funds in excess of an amount required to pay expenses and all the losses or claims or other policy obligations incurred, together with the reserve and surplus funds required or permitted by law. A distribution will be made only in accordance with the decision of our Board of Directors acting under the insurance laws and under our charter.

NOTICE OF MEMBERSHIP AND ANNUAL MEETING

Because we are a mutual company this policy makes you a member of the Auto-Owners Insurance Company. You are entitled to vote, in person or by proxy, at all meetings. Our annual policyholder's meetings are held at our home office at Lansing, Michigan on the second Monday in May in each year at 10:00 A.M.

In witness whereof, we, the Auto-Owners Insurance Company, have caused this policy to be issued and to be duly signed by our President and Secretary.


Secretary


President

Agency Code 17-0877-00

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COMMON POLICY CONDITIONS

IL 00 17 11 85

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by

endorsement issued by us and made a part of this policy.

C. EXAMINATIONS OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

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1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except

in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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CL 175 (2-86)

QUICK REFERENCE

COMMERCIAL GENERAL LIABILITY COVERAGE PART

READ YOUR POLICY CAREFULLY

The Commercial General Liability Coverage Part in your policy consists of Declarations, a Coverage Form (either CG 00 01 or CG 00 02), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business and Location of Premises
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at time of issue

COVERAGE FORM (CG 00 01 or CG 00 02)

SECTION I - COVERAGES

- Coverage A - Bodily Injury and Property Damage Liability

- Insuring Agreement

- Exclusions

- Coverage B - Personal and Advertising Injury Liability

- Insuring Agreement

- Exclusions

- Coverage C - Medical Payments

- Insuring Agreement

- Exclusions

- Supplementary Payments

SECTION II - WHO IS AN INSURED

SECTION III - LIMITS OF INSURANCE

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

- Bankruptcy

- Duties in the Event of Occurrence, Claim or Suit

- Legal Action Against Us

- Other Insurance

- Premium Audit

- Representations

- Separation of Insureds

- Transfer of Rights of Recovery Against Others to Us

- When We Do Not Renew (applicable to CG 00 02 only)

- Your Right to Claim and "Occurrence" Information (applicable to CG 00 02 only)

SECTION V - EXTENDED REPORTING PERIODS (applicable to CG 00 02 only)

SECTION VI - DEFINITIONS (SECTION V IN CG 00 01)

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Policy Number 034617-38009361

COMMON POLICY CONDITIONS (IL 00 17)

Cancellation
Changes
Examination of Your Books and Records
Inspections and Surveys
Premiums
Transfer of Your Rights and Duties under this Policy

ENDORSEMENTS (If Any)

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Copyright, Insurance Services Office, Inc., 1982, 1984, 1986.

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Policy Number 034617-38009361

CG 01 08 11 85
COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALABAMA AND LOUISIANA CHANGES - WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART OWNERS AND
CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY
COVERAGE PART

In WHO IS AN INSURED (Section II) the term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or by laws.

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CG 00 01 11 88

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payments of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of

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liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or

(2) That the insured would have in the absence of the contract or agreement.

c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. "Bodily injury" to:

(1) An employee of the insured arising out of and in the course of employment by the insured; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

(i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

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- (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d) (i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing from, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading and unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:

- (a) Less than 26 feet long; and

- (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment" (Section V.8.).

- h. "Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

- i. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

- j. "Property damage" to:

- (1) Property you own, rent or occupy;

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- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

- k. "Property damage" to "your product" arising out of it or any part of it.
- l. "Property damage" to "your work" arising out of it or any part of it and including in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

- m. "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- n. Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";

- (2) "Your work"; or

- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION III).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this coverage part applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate

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any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or

- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

b. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement.

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:**

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of

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our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an employee of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefit law or similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on the part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and

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their spouses are also insureds, but only with respect to the conduct of your business.

- c. An organization other than a partnership or joint venture, you are insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, no employee is an insured for:
 - (1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or "personal injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
 - (2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or
 - (3) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).
 - b. Any person (other than your employee), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-employee of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

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No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds,
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5, above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

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(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit"

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial;

but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) That is Fire insurance for premises rented to you; or

(3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater

than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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If notice is mailed, proof of mailing will be sufficient proof of notice.

- (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any one time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
5. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
6. "Insured contract" means:
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of

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another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - c. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in b. above and supervisory, inspection or engineering services; or
 - d. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
7. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

8. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise and lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise and lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
9. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
10. "Personal injury" means, other than "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.

11. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

- b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

12. "Property damage" means:

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- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the "occurrence" that caused it.
13. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
14. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or

- (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

15. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

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55086 (12-88)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DUPLICATION OF COVERAGE
ENDORSEMENT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE COMMERCIAL GENERAL LIABILITY COVERAGE PART.

It is agreed:

When this coverage form and any other policy, coverage form or endorsement which is issued to you by us or one of our affiliated companies applies to the same loss or damage the aggregate maximum limit of insurance under all the policies, coverage forms and endorsements which apply shall not exceed the highest Limit of Insurance which applies under any one such policy, coverage form or endorsement. This does not include a policy, coverage form or endorsement issued by us or an affiliated company which is specifically written as excess insurance over this coverage form.

55029 (7-87)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE ASBESTOS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE COMMERCIAL GENERAL LIABILITY COVERAGE PART.

No coverage is provided by this policy for any claim, suit, action or proceeding against the insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos related particle, dust, irritant, contaminant, pollutant, toxic element or material.

55050 (6-01)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF GENERAL AGGREGATE LIMIT

It is agreed:

The following is added to LIMITS OF INSURANCE (Section III):

Beginning with the effective date of this policy, we will provide twice the General Aggregate Limit (other than Products-Completed Operations), shown in the Declarations.

If this policy is written for more than one 12 month period, the General Aggregate Limit for each 12 month period shall never exceed twice the General Aggregate Limit shown in the Declarations. The General Aggregate Limit applies separately to each 12 month period starting with the beginning of the policy period shown in the Declarations.

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55064 (7-87)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOTOR VEHICLE LAWS

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE COMMERCIAL GENERAL LIABILITY COVERAGE PART.

It is agreed the following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS:

We will provide coverage:

1. up to the minimum required limits; and
2. subject to all the terms and conditions of the policy;

to comply with any motor vehicle insurance law to the extent such law applies to the "mobile equipment" covered by this coverage part.

All other terms and conditions of the policy apply.

55069 (1-88)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**CONTRACTUAL COVERAGE AMENDATORY
ENDORSEMENT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE COMMERCIAL GENERAL LIABILITY COVERAGE FORM.

It is agreed:

Under Section I - COVERAGE A, Item 2 Exclusions:

Exclusion b. is deleted and replaced by the following:

- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - (1) Assumed in a contract or agreement that is an "insured contract". However, if the insurance under this policy does not apply to the liability of the insured, it also does not apply to such liability assumed by the insured under an "insured contract".
 - (2) That the insured would have in the absence of the contract or agreement.

All other terms and conditions of the policy apply.

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This endorsement changes the policy. Please read it carefully.

59218 (1-91)

**ABSOLUTE EXCLUSION FOR FRAUD,
MISREPRESENTATION, DECEIT OR
SUPPRESSION OR CONCEALMENT OF FACT**

This policy does not apply to any claim arising out of fraud, misrepresentation, deceit, suppression or concealment of fact, whether intentional, unintentional, innocent, negligent, willful, malicious, reckless or wanton, including, but not limited to an action or lawsuit demanding or seeking damages or recovery based on direct liability, vicarious liability or agency principles.

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GARAGE LIABILITY COVERAGE FORM

19652 (1-88)

**AUTO-OWNERS INSURANCE COMPANY
LANSING, MICHIGAN**

Hereinafter called the Company, in consideration of the payment of the premium and of the statements in the Declarations made a part hereof and subject to all the terms of this insurance, agrees with the insured named in the Declarations with respect to any one or more of the coverages for which a premium is charged:

SECTION I - INSURING AGREEMENTS

A. BODILY INJURY LIABILITY. To pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of the liability imposed upon him by law, or assumed under any contract as defined herein, for damages because of

A. bodily injury, sickness or disease including death at any time resulting therefrom, or

B. injury to or destruction of tangible property, including the loss of use thereof,

neither expected nor intended from the standpoint of the insured and arising out of the hazards defined in Section II of this coverage form.

Coverages A and B shall not apply:

(a) to claims arising under any workers' compensation, unemployment compensation or disability benefits law or under any similar law; nor, except as to liability assumed by the insured under a contract as defined herein, to bodily injury to or death of any employee of the insured arising out of and in the course of his employment of the insured other than domestic employment if benefits for such domestic employment are neither payable nor required to be provided under any workmens' compensation law;

(b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any

(1) haulaway, tank truck or tank trailer (or any vehicle used therewith) owned, hired or held for sale by the named insured and not being delivered, demonstrated or tested;

(2) automobile

(i) while being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest or

(ii) while rented to others by the named insured unless to a salesman for use principally in the business of the named insured or

(iii) while being used by the insured as a public or livery conveyance or for carrying property for a charge;

(iv) possession of which has been transferred to another by the named insured pursuant to an agreement of sale; but this exclusion (b) (2) (iv) does not apply with respect to the named insured;

(3) aircraft;

(4) watercraft away from the premises; but this exclusion does not apply to injury or destruction arising out of repair or service operations performed thereon by the insured;

(c) to property damage to (1) any automobile in charge of the insured and any property while being transported by the insured or while under his control or direction relative to its transportation, or (2) any property owned by or rented to the insured; but part (1) of this exclusion does not apply to property damage caused by an automobile servicing hoist designed to raise the entire automobile or an automobile, freight or passenger elevator;

(d) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared

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or developed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the active malfunctioning of such products or work;

(e) to property damage to any of the named insured's products if such property damage results from a condition existing in such product or any part thereof at the time possession is relinquished to the purchaser thereof;

(f) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(g) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(h) (1) to bodily injury or property damage (a) with respect to which an insured under this insurance is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or (b) resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; (2) to bodily injury or property damage resulting from the hazardous properties of nuclear material, if (a) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (ii) has been discharged or dispersed therefrom; (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection

with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this part (c) of this exclusion applies only to destruction of property at such nuclear facility.

C. PASSENGER ACCIDENT. To pay to or for
D. PREMISES MEDICAL PAYMENTS each person who sustains bodily injury, sickness or disease, caused by accident and arising out of

C. the use of any automobile for which coverage is afforded under Section II-Definition of Hazards, except subdivision (3) of Division I, while in, upon, entering or alighting from the automobile while the automobile is used by, or with the permission of, the named insured, or

D. the ownership, maintenance or use of the premises and the ways immediately adjoining, or operations of the named insured,

the reasonable expense of necessary medical, surgical, X-ray, dental, Christian Science practitioner services, including prosthetic devices, eyeglasses, pharmaceuticals and ambulance, hospital and professional nursing services incurred within one year of the date of the accident but not exceeding the limit of liability stated in the Declarations as applicable to each person; and in the event of death resulting from such accident within one year from the date of such accident the total limit of liability stated in the Declarations as applicable to each person, less any amount for which the Company may be otherwise liable under this paragraph. The amount due for death shall be paid to the surviving spouse or the next of kin or the legal representative of the deceased, as the Company may elect.

When an automobile for which coverage is afforded under Section II-Definition of Hazards is furnished for the regular use of any person, including the named insured if an individual, this insurance shall be payable to such person, his spouse or the relatives of either not owning an automobile and residing in the same household as such person, with respect to bodily injury sustained while occupying an automobile not owned by the named insured and not used in the business of the named insured or through being struck by an automobile, provided in the event of death resulting from being struck by an automobile, the Company shall be liable only for the aforementioned expenses and the reasonable expense of fu-

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neral services. The insurance afforded by this paragraph shall not apply to injuries sustained through being struck by (1) a farm type tractor or other equipment designed for use principally off public roads, except while actually upon public roads, or (2) a land motor vehicle, trailer or semi-trailer while located for use as a residence or premises or operated on rails or crawler-treads; nor shall coverage apply to injuries sustained by any person while occupying an automobile owned by him or a member of his household.

This insurance does not apply:

(a) under Coverage C to bodily injury sustained by

(1) any employee of an insured under Coverage A arising out of and in the course of his employment by such insured;

(2) any person while in, upon or alighting from a motor scooter, motorized bicycle, motorcycle, snowmobile or midget automobile;

(b) under Coverage D to bodily injury sustained by

(1) any person while occupying or through being struck by an automobile away from the premises;

(2) any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(3) the named insured, or any partner therein or member thereof, or any employee of the named insured arising out of and in the course of his employment by the named insured;

(4) any person if such injury arises out of maintenance, alteration, demolition or new construction operations for the named insured or for any lessor of the premises;

(5) any tenant or other person regularly residing on the premises or any employee of such tenant or other person while engaged in the employment thereof;

(c) under Coverages C or D to bodily injury or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

SECTION II-DEFINITION OF HAZARDS

Division I. Premises-Operations-Automobiles

The insurance under this division covers the ownership, maintenance, occupation or use of the premises for the purposes of an automobile dealer, repair shop, service station, storage garage or public parking place, and all operations which are necessary or incidental thereto, including (1) the ownership, maintenance or use of any automobile in connection with the foregoing; (2) the occasional use for other business purposes and the use for non-business purposes of any automobile owned by the named insured and, if the named insured is an individual, any automobile owned jointly by the named insured and spouse; and (3) the use of any automobile not owned by the named insured by (a) the named insured, if an individual, and his spouse if a resident of the same household, (b) any person to whom the named insured regularly furnishes an automobile and the spouse of such person if a resident of the same household, or (c) a relative of (a) or (b) residing in the same household and not owning any automobile. This insurance does not apply under subdivision (3) to (i) any automobile owned by or furnished for regular use to (a) or (b) above or a member of the household of either, other than a private chauffeur or domestic servant; (ii) motor scooters, motorcycles or midget automobiles commonly referred to as "karts," "go-karts," "speedmobiles" or any comparable name; or (iii) any automobile not of the private passenger type while used in a business or occupation of (a), (b) or (c) above or to any private passenger automobile while used in such business or occupation if operated by other than (a) or (b) above or the chauffeur or servant of such person unless such person is present in such automobile.

Division II. Premises-Operations-Automobiles Not Owned Or Hired

The insurance under this division covers the ownership, maintenance, occupation or use of the premises for the purposes of an automobile repair shop, service station, storage garage or public parking place and all operations which are necessary or incidental thereto, including the use for any purpose in connection with the foregoing of any automobile not hired, registered or owned in whole or in part by the named insured, any partner or officer thereof.

SECTION III-DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

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It is further agreed that as respects insurance afforded by this policy under Coverages A and B, the Company shall:

A. have the right and duty to defend with counsel of the Company's choice any suit against the insured alleging such injury or destruction and seeking damages on account thereof where the Company is liable to the insured in case of judgment, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements;

B. pay in addition to the applicable limits of liability:

(1) all expenses incurred by the Company, all costs taxed against the insured in any such suit and interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid, tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;

(2) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured because of an accident or traffic law violation occurring during the policy period and arising out of the use of an automobile insured hereunder, not to exceed \$250.00 per bail bond, but without obligation to apply for or furnish such bonds;

(3) expenses incurred by the insured for such immediate medical and surgical relief to others as shall be imperative at the time of the occurrence, except bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization; and

(4) all reasonable expenses, other than loss of earnings, incurred by the insured at the Company's request.

SECTION IV-DEFINITIONS

A. "INSURED" shall mean, wherever used in Coverages A and B and in other parts of this coverage form

when applicable to these coverages, not only the named insured but also any partner, employee, director or stockholder thereof while acting within the scope of his duties as such, and any person or organization having a financial interest in the business of the named insured covered by this coverage form, and any person while using an automobile covered by this coverage form and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is with the permission of the named insured.

The provisions of this paragraph shall not apply (a) to any employee of an insured with respect to any action brought against said employee because of bodily injury, sickness or disease, or death of another employee of the same insured injured in the course of such employment in an accident arising out of the business of the insured; (b) to any partner, employee, director, stockholder or additional insured with respect to any automobile owned by him or by a member of his household other than the named insured; (c) to any person or organization, other than the named insured, a lessee or borrower of an automobile, or an employee of the named insured or of such lessee or borrower, with respect to the loading or unloading of an automobile; (d) to any partner, employee, director or stockholder of the named insured with respect to damage to property owned by, rented to or held for sale by the named insured, or property in the care, custody or control of or transported by the named insured.

Garage customers are not insureds with respect to the use of automobiles covered by this coverage form except in accordance with the following additional provisions:

(1) If there is other valid and collectible insurance, whether primary, excess or contingent, available to the garage customer and the limits of such insurance are sufficient to pay damages up to the applicable limit of the financial responsibility law of the state where the automobile is principally garaged, no damages are collectible under the policy.

(2) If there is other valid and collectible insurance available to the garage customer, whether primary, excess or contingent, and the limits of such insurance are insufficient to pay damages up to the applicable limit of the aforesaid financial responsibility law, then this insurance shall apply to the excess of damages up to such limit.

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(3) If there is no other valid and collectible insurance, whether primary, excess or contingent, available to the garage customer, this insurance shall apply but the amount of damages payable under this policy shall not exceed the applicable limit of the aforesaid financial responsibility law.

The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

B. "GARAGE CUSTOMER" shall mean any person while using an automobile owned, maintained or used in the garage operations of the insured and furnished or loaned to a customer of the garage or to a prospective purchaser, but shall not include an employee, director, stockholder, partner or member of the named insured or a resident of the same household as the named insured, such employee, director, stockholder, partner or member, or any other person or organization named in the policy as one to whom the named insured furnishes an automobile for regular use and any person while using an automobile furnished to such named person or organization.

C. "PREMISES" shall mean premises operated by the named insured for the purpose insured hereunder and includes the ways immediately adjoining but does not include any portion of such premises upon which business operations are conducted by any other person or organization.

D. "AUTOMOBILE" shall mean any type of land motor vehicle, utility trailer, camping or vacation trailer, mobile home, trailer or semi-trailer, truck tractor or farm tractor, non-motorized farm machinery or implement or animal-drawn equipment.

E. "HAZARDOUS PROPERTIES" shall mean radioactive, toxic or explosive properties.

F. "NUCLEAR MATERIAL" shall mean source material, special nuclear material or by-product material.

G. "SOURCE MATERIAL," "SPECIAL NUCLEAR MATERIAL," and **"BY-PRODUCT MATERIAL"** shall mean as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

H. "SPENT FUEL" shall mean any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

I. "WASTE" shall mean any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof.

J. "NUCLEAR FACILITY" shall mean:

(1) any nuclear reactor;

(2) any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing spent fuel, or (c) handling, processing or packaging waste;

(3) any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

K. "NUCLEAR REACTOR" shall mean any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

L. "CONTRACT" shall mean any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) agreement required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement or (5) elevator maintenance agreement.

SECTION V-POLICY TERM, TERRITORY, STANDARD TIME

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This coverage form applies only to bodily injury or property damage which occurs during the policy term as stated in the Declarations within the United States of America, its territories or possessions, Canada or Mexico, except with respect to automobiles, this cov-

erage form also applies while the automobile is being transported between ports thereof. The time of Effective Date and Expiration Date expressed in the Declarations is Standard Time at the address of the insured as stated in the Declarations.

CONDITIONS

These conditions apply in addition to the Common Policy Conditions.

1. LIMITS OF LIABILITY. Regardless of the number of (1) insureds under this coverage form, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage or (4) automobiles to which this coverage form applies, the limit of liability expressed in the Declarations with respect to Coverage A as applicable to "each person" is the limit of the Company's liability for all damages, including damages for expenses, care and loss of services, arising out of bodily injury to or death of one person in any one occurrence; the limit of such liability expressed in the Declarations as applicable to "each occurrence" is, subject to the above provisions respecting each person, the total limit of the Company's liability for all damages, including damages for expenses, care and loss of services, arising out of bodily injury to or death of two or more persons in any one occurrence. The limit of liability expressed in the Declarations with respect to Coverage B as applicable to "each occurrence" is the total limit of the Company's liability for all damages arising out of the injury to or destruction of all property of one or more persons or organizations, including the loss of use thereof, as the result of any one occurrence.

For the purpose of determining the limit of the Company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

2. PREMIUM. The premium for the coverage provided in this coverage form is based upon the entire payroll of proprietors, active executive officers, managers, salesmen, clerical force, mechanics, chauffeurs and other employees of the insured except that a premium charge shall be made upon the compensation of any proprietor, active executive officer and manager at \$3,000.00 per annum; all other employees shall be included at the actual remuneration (including commission, bonuses and other compensation) regardless of the period of employment but

not in excess of \$3,000.00 per annum earned whether paid or not.

3. RECORDS. It shall be a further condition of this insurance that the insured shall keep an accurate record of such payroll, including the names of all persons, the period for which employed and actual remuneration of such persons, whether paid or not, during the period of the policy. The Company, or any of its representatives, shall be permitted at any time during the term of this insurance or within one year thereafter to examine and audit any and all of the insured's payroll records for the purpose of determining the premium for this insurance.

4. PAYROLL REPORTS AND AUDITS. At the end of the payroll report period stipulated in the Declarations, the amount of remuneration earned by proprietors, active executive officers and all employees and the total gross amount of all such earnings during such period shall be exhibited to the Company, as provided elsewhere in this section and the earned premium shall be adjusted in accordance therewith at the rates and under the conditions herein specified. If such exhibit shall be made for a period less than the policy term, the earned premium so determined shall be due and payable and the deposit premium stipulated in the Declarations shall be the deposit premium for the next payroll report period. If the earned premium for the full policy term or the final payroll report period shall be greater than the deposit premium indicated in the Declarations, the named insured shall immediately pay the additional amount to the Company; if less, the Company shall return to the named insured the unearned portion but, except in event of cancellation, the Company shall retain the minimum premium stated in the Declarations.

5. FINANCIAL RESPONSIBILITY. Such insurance as is afforded by this coverage form under Coverages A and B shall comply with the provision of the motor vehicle financial responsibility law of any state or province which shall be applicable with respect to any such liability arising out of the ownership, main-

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tenance or use of an automobile during the policy period, to the extent of the coverage and limits of liability required by such law.

6. NOTICE OF ACCIDENT, CLAIM OR SUIT. Upon the occurrence of an accident covered by this policy, the insured shall give immediate notice to the Company or to its authorized agent. Failure to give such notice shall not invalidate this insurance if it is shown that the insured could not reasonably give such notice. Such notice shall contain particulars sufficient to identify the insured and also reasonably obtainable information respecting the time, place and circumstances of the accident, the names and addresses of the injured persons, the owner or driver of the other automobile involved and available witnesses. The named insured shall promptly take at his expense all reasonable steps to prevent other bodily injury or property damage from arising out of the same or similar conditions, but such expense shall not be recoverable under this insurance.

If claim is made or suit is brought against the insured, the insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative.

7. ASSISTANCE AND COOPERATION OF THE INSURED. The insured shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witness and in the conduct of suits. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for immediate medical and surgical relief to others as provided in B(3) of Section III.

8. ACTION AGAINST THE COMPANY. No actions shall lie against the Company unless, as a condition precedent thereto, the insured shall have fully complied with all the applicable conditions hereof, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company.

Any person or organization or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this coverage form to the extent of the insurance afforded by this coverage form. No person or organization shall have any right under this insurance

to join the Company as a party to any action against the insured to determine the insured's liability, nor shall the Company be impleaded by the insured or his legal representative.

Bankruptcy or insolvency of the insured, or the insured's estate, shall not relieve the Company of any of its obligations hereunder.

9. OTHER INSURANCE. The insurance afforded by this coverage form with respect to automobiles not owned by the named insured shall be excess insurance over any other valid and collectible insurance available to an insured. Except when stated to apply in excess of or contingent upon the absence of other insurance, the insurance afforded by this is coverage form is primary insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Company's liability under this coverage form shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company shall not be liable under this insurance for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) Contribution by Equal Shares. If all of such other valid and collectible insurance provides for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of loss is paid.

(b) Contribution by Limits. If any of such other insurance does not provide for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this insurance for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

10. SUBROGATION. In the event of any payment under this insurance, the Company shall be subrogated

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to all the insured's rights of recovery therefor and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

11. DECLARATIONS. By the acceptance of this insurance the named insured agrees that the statements

in the Declarations are his agreements and representations; that this coverage form is issued in reliance upon the truth of such representations, and that this coverage form and Declarations attached hereto embody all agreements existing between himself and the Company or any of its agents relating to this insurance.

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GARAGE LIABILITY AMENDATORY ENDORSEMENT

19634 (1-91)

It is agreed:

1. Under SECTION IV - DEFINITIONS the definition of contract is replaced by the following:

Insured Contract means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- f. An elevator maintenance agreement; or
- g. That part of any other contract or agreement pertaining to the named insured's business under which the tort liability of another to pay damage because of bodily injury or property damage to a third person or organization, if the contract or agreement is made prior to the bodily injury or property damage. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An **insured contract** does not include that part of any contract or agreement:

- a. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - b. That indemnifies any person or organization for damage by fire to premises rented or loaned to the named insured;
 - c. That pertains to the loan, lease or rental of an automobile to the named insured; or
 - d. That holds a person or organization engaged in the business of transporting property by automobile for hire harmless for the named insured's use of an automobile over a route or territory that person or organization is authorized to serve by public authority.
2. Under SECTION I - INSURING AGREEMENTS: A. BODILY INJURY LIABILITY and B. PROPERTY DAMAGE LIABILITY:
 - a. Exclusion (a) is deleted and replaced by:
 - (a) to claims arising under any workers compensation, unemployment compensation or disability benefits law, or under any similar law nor, except as to liability assumed by the insured under an insured contract as defined herein, to bodily injury to or death of any employee of the insured arising out of and in the course of his employment by the insured other than domestic employment if benefits for such domestic employment are neither payable nor required to be provided under any workers compensation law;
 - b. Exclusion (c) is amended as follows:
This exclusion does not apply to liability assumed by the insured under a sidetrack agreement.
 - c. The following exclusions are added:
 - (1) Liability coverage does not apply to any liability assumed under any contract or agreement. However, this exclusion does not apply to liability for damages:

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- (a) assumed under a contract or agreement that is defined as an insured contract; or
- (b) that the insured would have even in the absence of a contract or agreement.
- (2) Liability coverage does not apply to bodily injury or property damage caused by war, whether declared or undeclared, or insurrection or any of their consequences. This exclusion applies only when such liability is assumed under a contract or agreement.
- (3) Liability coverage does not apply to any obligation on the part of the insured to indemnify another for those damages resulting from bodily injury to an insured's employee. However, this exclusion does not apply when such liability is assumed by an insured under an insured contract.

All other terms and conditions of the policy apply.

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**GARAGE LIABILITY
AMENDATORY ENDORSEMENT - INSPECTION PROVISION**

19959 (1-91)

In consideration of the premium at which this policy is written, it is hereby understood and agreed that the provision with respect to the Company's right to inspect the named insured's property and operations is hereby amended to provide that neither the right nor the exercise thereof shall constitute an undertaking to determine that such property or operations are safe or healthful, or in compliance with any law, rule or regulation.

**ABSOLUTE ASBESTOS EXCLUSION
GARAGE LIABILITY**

19983 (3-91)

No coverage is provided by this policy for any claim, suit, action or proceeding against the insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos related particle, dust, irritant, contaminant, pollutant, toxic element or material.

**AMENDATORY ENDORSEMENT
Garage Liability**

79585 (3-94)

It is agreed:

1. Under **CONDITIONS**, **2. PREMIUM** is deleted and replaced with the following:
 2. **PREMIUM** The premium stated in the Declarations for this policy is provisional. The earned premium for each policy term will be calculated according to the Company's rules and rates. The Company shall use the rates for the policy in effect at the inception date of the term. Additional premium will be charged or a refund made, whichever is appropriate. However, the Company shall retain the minimum premium for this policy.
2. Under **CONDITIONS**, **4. PAYROLL REPORTS AND AUDITS** is deleted and replaced with the following:
 4. **PAYROLL REPORTS AND AUDITS** The Company may examine and audit the named insured's books and records to determine the premium for this policy at any time during the policy term and within one year after the expiration of this policy.

All other policy terms and conditions apply.

This endorsement changes the policy. Please read it carefully.

59218 (1-91)

**ABSOLUTE EXCLUSION FOR FRAUD,
MISREPRESENTATION, DECEIT OR
SUPPRESSION OR CONCEALMENT OF FACT**

This policy does not apply to any claim arising out of fraud, misrepresentation, deceit, suppression or concealment of fact, whether intentional, unintentional, innocent, negligent, willful, malicious, reckless or wanton, including, but not limited to an action or lawsuit demanding or seeking damages or recovery based on direct liability, vicarious liability or agency principles.

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AMENDMENT OF RENTAL EXCLUSION

19372 (4-80)

It is agreed that exclusion (b) (2) (ii) applicable to Coverage A and B is amended to read:

- (ii) while leased or rented to others by the named insured unless such lease or rental is to a salesman for use principally in the business of the named insured or unless the automobile is in the custody of the named insured for pick up, delivery, service or repair in connection with such lease or rental;

LIQUOR LIABILITY EXCLUSION

19637 (9-87)

The following exclusion is added:

Coverage shall not apply to bodily injury or property damage for which the insured or his indemnitee may be held liable:

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

- (2) if not so engaged, as the owner or lessor of premises used for such purposes,

if such liability is imposed:

- (i) by, or because of the violation of, any statutes, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
- (ii) by reason of selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

but, part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above.

All other terms and conditions of the policy apply.

**COMBINED LIMIT OF LIABILITY ENDORSEMENT
(BODILY INJURY AND PROPERTY DAMAGE)**

19693 (3-88)

When the coverage shown in the Declarations is "Combined Liability", it is agreed that the provisions of the policy which set forth and define the limits of liability applicable to Coverage A - Bodily Injury Liability and Coverage B - Property Damage Liability are deleted and replaced by the following:

The limit of liability stated in the Declarations is the total limit of the Company's liability under Coverages A and B combined for all damages, including damages for care and loss of services and loss of use, as the result of any one occurrence; provided with respect to any occurrence for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility for the future under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied to provide the separate limits required by such law for bodily injury and property damage liability to the extent of the coverage required by such law.